

VREB SPEAKING

Summer 2003

A Newsletter for Virginia Real Estate Licensees

**** NEW REGULATIONS ****

SUMMARY OF SIGNIFICANT CHANGES

The new Real Estate Board regulations became effective April 1, 2003 and replace all previous regulations of the Real Estate Board. As a regulant of the Board, you are responsible for following all regulations, therefore you should read and become familiar with all regulations printed in this booklet. These regulations have been revised and should be thoroughly reviewed. Following is a brief summary of the changes to the regulations to assist you in your review.

- The definition of "active" has been added for clarification purposes. 18 VAC 135-20-10
- The definitions of "principal to a transaction" and "supervising broker" have been amended for clarification and consistency with provisions of the statute concerning agency law. 18 VAC 135-20-10
- Requirements for obtaining a salesperson's or associate broker's license as a business entity have been amended for clarification to be consistent with the statute. 18 VAC 135-20-45
- Requirements for obtaining licensure by reciprocity have been amended to require reciprocal licensees to pass the Virginia portion of the licensing examination prior to their first renewal. 18 VAC 135-20-105
- Requirements for supervising branch offices have been revised to focus on actual supervision of the licensees rather than supervision of the physical location of the branch. 18 VAC 135-20-160
- Clarifies the requirement that the balance in the escrow accounts must be sufficient at all times to account for all funds that are designated to be held by the firm or sole proprietorship. 18 VAC 135-20-180
- Amends the provisions regarding disbursement of escrow money in the event the transaction is not consummated. 18 VAC 135-20-180
- Advertising requirements have been revised to incorporate internet advertising and to add disclosure requirements. 18 VAC 135-20-190
- Requires licensees to inform the board of disciplinary actions against them in another jurisdiction. 18 VAC 135-20-260

- Amends the provisions regarding improper brokerage commissions by requiring consent of the broker for performing certain acts. 18 VAC 135-20-280

A copy of the new regulations can be obtained at the Board's website which is located at: www.state.va.us/dpor/. Select "Boards & Regulations" and then click on "Real Estate".

UPDATED APPLICATIONS AND FORMS

ALL Real Estate applications and forms have been revised **effective July 1, 2003.** The current Real Estate Board applications and forms may be obtained on our website, www.state.va.us/dpor/. By selecting "Forms", applications and forms pertaining to the Real Estate Board may be accessed.

The Board updates their forms and applications to reflect the current requirements and fees. To ensure that the proper information and fee are submitted, **WE WILL NOT ACCEPT OUTDATED APPLICATIONS AND FORMS AFTER DECEMBER 30, 2003.**

Licensees should check the date located on the bottom left hand corner on the applications and forms to make sure they are submitting the current applications and forms.

!! LEGISLATIVE UPDATE !!

The 2003 session of the General Assembly produced a number of bills of interest to real estate licensees. Below is a brief overview of some of those bills:

HB 1930 (Patron – Nixon): Establishes conditions under which state banks are authorized to own a real estate brokerage firm. This bill is identical to Senate Bill 1194.

HB 2213 (Patron – Suit): Provides that except to the extent otherwise provided in the condominium instruments, any insurance deductible under the master casualty policy shall be paid by the unit owners' association as a common

expense if the cause of the damage to or destruction of any portion of the condominium originated in or through the common elements. However, a unit owner shall pay such deductible if the cause of any damage to or destruction of any portion of the condominium originated in or through a unit or any component thereof without regard to whether the unit owner was negligent.

HB 2216 (Patron – Suit): Amends the Condominium Act to authorize the executive organ to levy additional assessments if the executive organ determines that the assessments levied by the unit owners' association are insufficient to cover the common expenses of the unit owners' association. The bill provides for written notice of the imposition of an additional assessment and provides that the unit owners' association may rescind or reduce the additional assessment.

HB 2217 (Patron – Suit): Removes the \$150 threshold for determining whether an association is subject to the Property Owners' Association Act (POAA). The bill defines when an association packet is not available.

HB 2723 (Patron – Reid): Increases the continuing education requirements for real estate licensees of the Real Estate Board from eight to 16 hours. The bill also requires new licensees to complete 30 hours of specialized training in the first two years of licensure. In addition the bill provides an emergency extension for compliance with the licensure and certification requirements for persons on active military duty during 2003 for a period of one year after being released from active duty. The bill contains technical amendments. This bill is identical to Senate Bill 1324.

SB 1102 (Patron – Mims): Creates the Fair Housing Board at the Department of Professional and Occupational Regulation to administer and enforce the provisions of the Fair Housing Law. Currently, such authority is vested with the Real Estate Board. The bill sets out the membership and terms of the Fair Housing Board. The bill authorizes the Fair Housing Board to establish, by regulation, an education-based certification or registration program, as the Board deems appropriate. The Fair Housing Board has no authority to determine cause against persons licensed by the Real Estate Board or their employees, who violate the Fair Housing Law, this authority will remain with the Real Estate Board. The bill contains technical amendments.

You can obtain complete copies of each of the bills by going to the General Assembly's webpage which is located at: <http://legis.state.va.us/>. Type the bill number (ex. hb2723) into the search box located on the right of the screen to find a bill.

NEW EDUCATION REQUIREMENTS FOR LICENSEES

House Bill 2723 has made two new, important changes to the education requirements for licensees:

1. Increases the continuing education requirement from 8 to 16 hours

- 8 hours will be in the following required topics:
 - Ethics and Standards of Conduct
 - Legal Updates and Emerging Trends **(NEW TOPIC)**
 - Real Estate Agency **(NEW TOPIC)**
 - Real Estate Contracts **(NEW TOPIC)**
 - Fair Housing
 - Needs to be a minimum of 2 hours **(NEW)**
 - Needs to include an update on current cases and administrative decisions under Fair Housing Laws **(NEW)**
- 8 hours will be “elective” in real estate related subjects
- **This new increase in CE hours becomes effective on July 1, 2004**

2. Creates a new 30 hour education requirement for **new** licensees

- New licensee must complete this requirement within the first two years after first receiving a license
- New requirement needs to cover 3 practice tracks: (1) residential real estate, (2) commercial real estate, or (3) property management
- *“The guidelines in each of the three practice tracks for new licensees shall include topics that new licensees need to know in their respective practices, including, but not limited to, contract writing, handling customer deposits, listing property, leasing property, agency, current industry issues and trends, property owners' and condominium association law, landlord-tenant law, Board regulations, and such other topics as designated by the Board.”* (direct quote from the legislation)
- The Board shall establish an advisory council to help establish the guidelines for the new 30 hour requirement
- The Council must be made up of licensed salespersons and brokers
- New licenses will take this new 30 hour requirement in lieu of taking any continuing

education courses for the first two years after they receive their license

- **This new 30 hour requirement becomes effective on January 1, 2004**

The Real Estate Board will be contacting all education providers to ensure that courses are available to licensees in order for them to meet both of these new requirements.

!! NEW !!

FAIR HOUSING BOARD

Certified Fair Housing Professionals Benefits of Certification



Virginia is currently developing an education-based certification program for individuals involved in selling or renting property. In accordance with state law effective July 1, 2003, the new two-hour course is designed to increase compliance with Fair Housing laws.

Benefits of Certification to Individuals

Earning certification shows potential clients that you possess the fundamental knowledge required to rent or sell property in accordance with state and federal Fair Housing laws. Individual certification is transferable and carries the same meaning to all employers. The real estate community, your employer, and your peers will recognize certification as a symbol of personal commitment. Certification shows that you are a professional with the ability to comply with Fair Housing laws and to keep pace with workplace trends.

Benefits of Certification to Employers and Industry Leaders

Certification assures clients that your employees – from those in the front office answering phones, to those who show property or process mortgage applications – understand and respect Fair Housing laws. Insurance providers may offer discounted rates, knowing that certified employees are better prepared to comply with Fair Housing laws. Certification shows that your organization

values high standards and professional accountability, increasing respect for the real estate community.

To learn more about how you or your employees can earn certification, contact:

Virginia Fair Housing Board

(804) 367-8552

fhcertification@dpor.state.va.us



Department of Professional and Occupational Regulation

3600 W. Broad Street, Richmond, VA 23230

(804) 367-8500 / TDD (804) 367-9753

www.dpor.state.va.us

BOARD DISCIPLINARY ACTIONS

The public is now able to obtain copies of abstracts of the Virginia Real Estate Board's final orders and consent orders by going to the following site:

[www.dpor.state.va.us/regulantlookup/DisciplinaryActions
_KeywordSearch.cfm](http://www.dpor.state.va.us/regulantlookup/DisciplinaryActions KeywordSearch.cfm)

Once there, type "real estate board" in the keywords search box and hit enter.

Abstracts of the Board's final orders and consent orders from April 1, 2002 onward will be displayed.

VREB SPEAKING is a publication of

The Real Estate Board
3600 West Broad Street
Richmond, Virginia 23230

Real Estate Board Meetings are scheduled in 2003 for:

July 17	September 4
October 23	December 4

Meetings of the Real Estate Board start at 9:00 am and are held at the Department of Professional and Occupational Regulation at 3600 West Broad Street, Richmond, Virginia 23230

Internet Address

www.state.va.us/dpor

E-mail Address

reboard@dpor.state.va.us

Telephone Numbers:

DPOR	804-367-8500
Licensing	804-367-8526
Fair Housing	804-367-8530
Appraisal	804-367-2039
Property Registration	804-367-8510
Education	804-367-2406
Enforcement	804-367-8504
Enforcement, Unlicensed Activity	804-367-2195

BOARD MEMBERS:

Joseph K. Funkhouser, II, Chairperson	Harrisonburg
Gerald S. Divaris	Virginia Beach
Sharon Parker Johnson	South Hill
S. Ronald Owens	Roanoke
Florence Daniels	Alexandria
Marjorie Clark	Richmond
Frank J. Quayle, III	Charlottesville
R. Schaefer Oglesby	Lynchburg

STAFF MEMBERS:

Louise Fontaine Ware	Director
Sandra Whitley Ryals	Chief Deputy Director
Karen O'Neal	Deputy Director, Regulatory Programs Division
Christine Martine	Executive Director
John Cancelleri	Fair Housing Administrator
Marion Cooper	Property Reg. Administrator
Maryanne Woo	Office Manager
James L. Guffey	Deputy Director for Enforcement
Marion Cooper	Education Administrator

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